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WORKERS COMPENSATION SOLUTIONS AIMED AT THE WRONG TARGET

Corporations and government agencies alike have been diligently trying to control workers compensation losses.

This exercise has continued for decades only to witness one crisis after another and new versions of government reform.

There have been many that, despite their efforts to rein in costs, have felt the defeat of yet another year of increased costs.

An outsider looking at the workers comp system sees a labyrinth of complexity and perhaps concludes it would take a miracle to have a substantial impact in changing the existing scene.

But hold on. What would an outsider with a different perspective, one with no vested interest, someone looking through a new set of lenses, what would they see and conclude?

If a trained professional with skills in data evolution, problem solving, and blessed with a modicum of common sense, studied the workers comp system in the US and Canada, what would they find? Could perhaps a more simple solution exist to help the CFO, Risk Manager, Human Resource Manager and Work Comp Manager finally gain control of the runaway train of expenses?

Well it has been done. ***The conclusion is that the solutions to control workers comp costs have been aimed at the wrong target!***

It is said that if a problem persists you have not discovered the true cause.

There is a solution to every problem. ***The key is finding the correct cause of the problem.*** So what, if addressed, would solve the unrelenting workers comp problems?

One can direct the best professionals, unimaginable amounts of money, time, etc. at a problem. But if it does not address the precise cause or why a problem exists, the unwanted situation will persist. This is a guaranteed fact!

The problem with workers comp costs has persisted from one decade to the next. It is so complex one may think it is impossible to find a key problem or lowest common denominator that would profoundly change the workers comp situation. What would the outsider see? They would see inherent problems that in fact contribute to the workers comp conundrums.

Who profits from a workers comp system that stays broken? Workers comp opinion leaders tell us that the solution lies with the aggressive management of claims. Is this post injury strategy the correct solution?

This post injury strategy has certainly helped to contain costs. To do otherwise would be foolish. But has it **solved** the problem? Apparently it has not.

Then what is the lowest common denominator that if eliminated would precipitate an implosion of workers comp costs?

The outside observer would see that if claims were dramatically curtailed, there would be less claims to manage. In other words, if we prevented work related injuries (claims) from occurring, workers comp costs would be reduced to a minimum.

This too is a guaranteed fact. Does this seem too simple? How did we ever get into a situation where reducing workers comp costs mainly revolves around post claim strategies? Could it be that we seek council and advice from workers comp experts that in fact work for those companies that would suffer the greatest financial losses if injuries and claims were precipitously lowered?

When attending Risk Management and Workers Comp Conferences you will notice that almost every vendor there promotes post injury strategies and claims prevention is rarely the focus of the services.

The notion of preventing injuries is sometimes, at best, considered a secondary solution and most of the time shrugged off as less important. We have come to believe that preventing injuries is impossible!

We are asked to believe that a 12-year-old girl can be taught to do a back flip on a balance beam, but our employees can't learn to lift a toolbox correctly or to use their \$500 chair as it was intended.

Viable solutions can only be expected to come from organizations that benefit from solving the problem versus those that make a living on the existence of claims.

The paradigm is shifting because the old ways of post injuries strategies have not worked. More and more CFO's, Risk Managers, Workers Comp Managers and Human Resource Managers are understanding the only way to truly control costs is through aggressive pre-injury strategies. **Eliminate the claim;** don't manage it.

If you hear someone tell you injuries can't be prevented, be concerned. They either are ill informed or benefit somehow by having you think so.

Employers do not want workers injured, unions do not want their membership injured, and employees do not want to be in pain. This defines a perfect environment to succeed in.

As this paradigm changes to a more common sense approach of pre claim strategies, the whole industry will be affected. There will be more profitable companies, less loss workdays, less absenteeism, healthier and happier employees. Workers Comp executives will be recognized for their contributions to higher profits and improved employee morale. We will witness workers compensation vendors changing their services to be more proactive versus the tired reactionary post claims approach of yesterday.

There comes a time when people get fed up and demand changes. Our country's independence is based on this fact. The time is now for a more common sense, ethical approach that encompasses the protection of your employees' health and protects hard earned profits. Workers comp management has to include aggressive post claims strategies but it must start with effective claims prevention.

It can be called an evolution or revolution, but its time has come.

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